AUSTRALIAN
SHAREHOLDERS'
ASSOCIATION

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A constructive year for Monadelphous

Company/ASX Code	Monadelphous Group Limited / MND
AGM time and date	At 10am on Tuesday, 25 November 2025
Location	The University Club, University of WA, Hackett Dve, Crawley, 6009 and online
Registry	Computershare
Type of meeting	Hybrid
Monitor	Geoff Corrick
Pre-AGM Meeting	With Rob Velletri, Chair, and Kristy Glasgow, Joint Company Secretary

Monitor Shareholding: The individual (or their associates) involved in the preparation of this voting intention has no shareholding in this company.

1. How we intend to vote

No	Resolution description	
1	**Re-election of Director – Ms Sue Murphy AO**	For
2	**Re-election of Director – Ms Helen Gillies**	For
3	**Grant of Performance Rights to the Managing Director under the Company's Short-Term Incentive Plan for the year ended 30 June 2025**	For
4	**Grant of Performance Rights to the Managing Director under the Company's Long-Term Incentive Plan for 2025**	For
5	**Adoption of Remuneration Report**	For

2. Summary of Issues and Voting Intentions for AGM

Monadelphous had a strong year with revenue up 12% on the previous year largely due to an increase in construction activity. Also, contracts won during the year were at a record level of $2.5b.

Dividends totalling a record 72c were paid from FY25 profits. The Company has a policy of paying out 80% to 100% of net profit after tax, subject to working capital requirements, potential investment opportunities and general economic conditions.

There are only relatively minor matters at variance with ASA Policies:

An Executive Chair.

Reporting on Director skills.
(Both discussed in Section 3 Governance and Culture)

Only one measure is used for determining performance for Long Term Incentives (LTIs).

(Discussed in Section 3, Other ASA focus issues, Focus issue 4)

Given the successful record and corporate ethos of Monadelphous over more than 35 years these matters are not considered major enough to attract an against vote on any resolution.

3. Matters Considered

Accounts and reports

Monadelphous plans to grow from its core markets, through service expansion and diversification and a targeted approach to new work opportunities.

Financial performance

(As at FYE)	**2025**	**2024**	**2023**	**2022**	**2021**
NPAT ($m)	83.7	62.2	53.5	52.2	47.1
UPAT ($m)	83.7	62.2	53.5	52.2	47.1
Share price ($)	17.56	12.84	11.72	9.95	10.45
Dividend (cents)	72	58	49	49	45
Simple TSR (%) *	42.2	14.5	22.7	-0.1	-2.4
EPS (cents)	85	64.1	55.8	54.9	49.7
CEO total remuneration, actual ($m)	1.78	1.64	1.72	1.54	1.17
ROE (%)	16.8	13.4	12.2	12.7	11.9

* Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture (ASA Focus issue 3)
The board composition is very satisfactory. There are six directors with a majority of non-executive directors (four) and good gender diversity. None are over-committed. The Chair is not independent, a long tradition at Monadelphous. The current Chair was the previous Managing Director and continues to have some executive responsibilities, as well as a top 20 shareholding.

The ASA is arguing for more detail in reporting of individual director skills, with a clear skills matrix published in the Annual Report that includes director names and their specific skills. The separate Corporate Governance Statement, published in ASX announcements at the same time as the Annual Report, has a chart which adds together directors with moderate and extensive experience and/or a qualification, making it seem that all but two of the skills are well covered by all six directors.

One skill that is not well covered is Technology and there is a very satisfactory explanation of how that skill is managed including the “purchasing” of outside expertise and advice. There should be no hesitancy in acknowledging that other skills are only moderately covered, and can be solved by engaging outside expertise, or director training where necessary.

Key events
In April the acquisition of High Energy Services was announced, and the transaction was completed on 1 July 2025. This is a firm with about 100 employees and $30m revenue, acquired for $23.6m cash. This is expected to boost the service offering in the energy transition. Sector for work such as bringing new generation and battery storage sources on-line and increasing transmission capacity.

Key board or senior management changes
There were no board or key management changes during the year.

Sustainability/ESG (Focus issue 5)
There is extensive coverage in the Annual Report with separate sections on:

- Sustainability, covering matters of People, Safety and wellbeing, Responsible business delivery, Communities and Environment.
- Governance and Risk Management (six pages)
- Climate Disclosures. The company continues to prepare for the first year of reporting under Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures. Monadelphous is significantly below the reportable Scope 1 and 2 emissions thresholds of 50,000 $tCO_{2\text{-}e}$, and the energy consumption threshold of 200 Terajoules (TJ) under the NGER Act. The company has a target of Net Zero scope 1 and 2 emissions by 2050.

  The Annual Report lists and discusses climate related risks in three main categories

  - Transition - Market – reduced demand in fossil fuel industries.
    - Reputation.
    - Government policy changes and costs of complying.
  - Physical - Extreme weather events and climate changes add to costs and endanger staff.
  - Technology risk – Increased operating costs to meet customer requirements and loss of competitive advantage.

  Opportunities are also discussed

  - Renewable energy sources, products and services.
  - Growth in existing markets supporting the energy transition.

  The strategic planning process includes an annual scenario analysis presented to the Board along with the climate risk and opportunity assessment. The impact of two different scenarios is assessed:

  a) 1.5^{o}C increase accelerated action scenario and

  b) 4^{o}C runaway climate change.

Other ASA focus issues

Focus issue 1: Fair treatment of shareholders in capital raisings.

The Company does not have a tradition of raising money from shareholders, except from the dividend reinvestment plan, so there are no matters of concern.

Focus issue 2: Shareholder engagement.

Monadelphous meets ASA guidelines with hybrid Annual General Meetings, and opportunities to listen in to investor briefings in real time or through recordings accessed through the company website.

Focus issue 4: Transparent and performance linked executive remuneration.

Executive remuneration with short- and long-term incentives is explained in detail in the annual report. There have been changes in these plans in recent years so there is reporting on the vesting of shares in FY25 that were granted as performance rights in previous years under superseded plans, and performance rights granted this year under current plans.

For short term incentives the Combined Reward Plan (CRP) provides a sum of money against targets in a number of factors under the employee's control. The factors fall into the following categories: earnings performance; working capital management; safety; people; customer satisfaction and strategy. The company does not publish the targets for each employee considering this as commercial-in-confidence. Once the value of the reward is determined 25% is paid in cash and the remainder is provided as performance rights. One-third of the rights vest at the end of each of the next 3 years providing the employee continues to be employed. ASA policy considers this a long time for a short-term incentive.

For long term incentives the reward is all performance rights which vest after three years if an eps target is met at the end of the third year. The number of shares vesting is proportionate to the eps achieved once an annual 4% rise in eps is achieved compounded over three years (12.5% approx). One or two of the annual rises could be less than 4% if the three-year rise reaches the compounded rate. At the 4% target 50% of the rights will vest, with a pro-rata increase to 100% vesting if a target of 8% compounded Is reached.

ASA policy asks for a second equally weighted target based on Total Shareholder Return (TSR). Monadelphous argue persuasively against the use of the TSR measure as being something that is out of the executive's control - with unpredictable movements in the share price not related to executive performance. This is born out to some extent in the financial performance table above where TSR doesn't follow the profit, eps or dividend outcomes.

Shares granted under STIs and LTIs are not purchased on market. They are valued at the 10-day VWAP of shares traded in the 10 days starting the two days after the record date for payment of the final dividend in the year of grant. The Managing Director LTI grant of rights is equivalent to 50% of fixed remuneration. Other senior staff on this plan receive 40%.

4. Rationale for Voting Intentions

Resolution 1: Re-election of Director – Ms Sue Murphy AO (For)
Ms Murphy has been on the Board for six years and is the Deputy Chair and lead independent director. The Annual Report entries on directors, and the supporting material in the Notice of AGM gives much detail of her roles and responsibilities in senior positions during her career. As discussed above, appropriate skills are not identified. There is an extensive list of skills in her LinkedIn entry, most of which are relevant to this director role.

Resolution 2: Re-election of Director – Ms Helen Gillies (For)
Similarly for Ms Gillies who has been on the Board since 2016. She has had a wide range of appropriate roles and responsibilities in construction and engineering services relevant to Monadelphous.

Resolution 3: Grant of Performance Rights to the Managing Director under the Company's Short-Term Incentive Plan for the year ended 30 June 2025 (For)
As indicated above, for short term incentives the current plan is a mixture of rewards for short term performance and a three-year incentive to stay employed. With the continuing shortage of appropriately skilled and experience people in this industry it is hard to fault Monadelphous' approach.

Resolution 4: Grant of Performance Rights to the Managing Director under the Company's Long-Term Incentive Plan for 2025 (For)
Although these rewards only use eps measure as discussed earlier, the plan is appropriately structured to reward good performance over a three-year term.

Resolution 5: Adoption of Remuneration Report (For)
Remuneration arrangements are explained in plenty of detail in the report and are appropriate to the size of the company in a competitive business where retention of good staff is a high priority. There are no serious issues which would suggest an 'against' vote.

Appendix 1
Remuneration framework detail

CEO rem. Framework for FYXX	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	0.98	58.30%	0.98	41.70%
STI - Cash	0.1	5.90%	0.19	8.10%
STI - Equity	0.3	17.90%	0.59	25.10%
LTI	0.3	17.90%	0.59	25.10%
Total	1.68	100.0%	2.35	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

The table lists payments made and the value of shares granted under STI and LTI plans for FY25. It does not include shares vested in the year.

*Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.